

SECURITIES AND EXCHANGE COMMISSION

FORM SC 13D/A

Schedule filed to report acquisition of beneficial ownership of 5% or more of a class of equity securities [amend]

Filing Date: **2003-11-20**
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FILED BY

DEBOER JACK P

CIK: **1252988**
Type: **SC 13D/A**

Business Address
CANDLEWOOD HOTEL CO.
8621 E. 21ST STREET
WICHITA KS 67206

SUBJECT COMPANY

CANDLEWOOD HOTEL CO INC

CIK: **1022820** | IRS No.: **481188025** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **SC 13D/A** | Act: **34** | File No.: **005-48191** | Film No.: **031015260**
SIC: **7011** Hotels & motels

Mailing Address
C/O LATHAM & WATKINS
650 TOWN CENTRE DRIVE
20TH FLOOR
COSTA MESA CA 92626

Business Address
9342 EAST CENTRAL
LAKEPOINT OFFICE PARK
WICHITA KS 67206
3166311300

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**UNITED STATES
SECURITIES AND EXCHANGE
COMMISSION**

Washington, D.C. 20549

SCHEDULE 13D

OMB APPROVAL
OMB Number: 3235-0145
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**Under the Securities Exchange Act of 1934
(Amendment No. 2)***

CANDLEWOOD HOTEL COMPANY, INC.

(Name of Issuer)

Common Stock, Par Value \$0.01 Per Share

(Title of Class of Securities)

13741M 10 8

(CUSIP Number)

**Jack P. DeBoer
Chief Executive Officer
Lakepoint Office Park
9342 East Central
Wichita, Kansas 67206
(316) 631-1300**

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

Copies to:

**Charles K. Ruck, Esq.
Latham & Watkins
650 Town Center Drive
Twentieth Floor
Costa Mesa, California 92626-1925**

October 27, 2003

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box.

[]

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 13741M 10 8

1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only).

Jack P. DeBoer

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a) [X]

(b) []

3. SEC Use Only

4. Source of Funds (See Instructions)

Not applicable

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) []

6. Citizenship or Place of Organization

United States

Number of Shares Beneficially Owned by Each Reporting Person With	7. Sole Voting Power 2,360,932 shares of Common Stock, on an as-converted basis (see Items 2 - 5)
	8. Shared Voting Power 14,987,694 shares of Common Stock, on an as-converted basis (see Items 2 - 5)
	9. Sole Dispositive Power 2,360,932 shares of Common Stock, on an as-converted basis (see Items 2 - 5)
	10. Shared Dispositive Power 0 shares of Common Stock (see Items 2 - 5)
11. Aggregate Amount Beneficially Owned by Each Reporting Person See Item 5	
12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) [<input type="checkbox"/>]	
13. Percent of Class Represented by Amount in Row (11) See Item 5	
14. Type of Reporting Person (See Instructions) IN	

This Amendment No. 2 (“Amendment”) with respect to the Schedule 13D filed on May 4, 1998, as amended by Amendment No. 1 on December 22, 1998 (the “Statement”), relating to the Common Stock, par value \$.01 per share, of Candlewood Hotel Company, Inc., a Delaware corporation (the “Issuer”), hereby amends the Statement only as related to Jack P. DeBoer (the “Reporting Person”) and in the following respects only, effective as of October 27, 2003. Unless otherwise indicated, all capitalized terms shall have the same meaning as provided in the Statement.

Item 1. Security and Issuer

Item 2. Identity and Background

Item 2 is hereby amended and supplemented by the following:

This Amendment is filed by the Reporting Person to report the execution of and agreement to be bound by a Voting Agreement (the "Voting Agreement") by and among the Reporting Person, MONY Life Insurance Company, a New York insurance company ("MONY"), Pecks Management Partners Ltd., a New York corporation ("Pecks"), Advance Capital Offshore Partners, L.P., a Cayman Islands limited partnership ("Advance Offshore I"), Advance Capital Partners, L.P., a Delaware limited partnership ("Advance Capital I"), Advance Capital Offshore Associates, LDC, a Cayman Islands limited duration company and the general partner of Advance Offshore I ("Advance Offshore II"), Advance Capital Associates, L.P., a Delaware limited partnership, the general partner of Advance Capital I and the majority shareholder of Advance Offshore II ("Advance Capital II"), Advance Capital Management, LLC, a Delaware limited liability company and the managing general partner of Advance Capital II ("Advance Capital LLC"), Private Equity Investors III, L.P., a Delaware limited partnership ("PEI-III"), Equity-Linked Investors-II, a New York limited partnership ("ELI-II"), Rohit Mojilal Desai, an individual ("Desai"), Desai Capital Management Incorporated, a New York corporation and the investment adviser to PEI-III and ELI-II ("DCMI"), LNR Candlewood Holdings, Inc., a Nevada corporation ("LNR"), Leisure Colony Management Corp., a Florida corporation and the sole shareholder of LNR ("Leisure"), LNR Property Corporation, a Delaware corporation and the sole shareholder of Leisure, Allied Capital Corporation, a Maryland corporation ("Allied"), JPMorgan Chase Bank ("JPMCB"), J.P. Morgan Partners (SBIC), LLC ("JPMP SBIC"), Olympus Growth Fund, L.P. a Delaware limited partnership ("OEGF") and Olympus Executive Fund, L.P. a Delaware limited partnership ("OEF"), Arbor Lake Club, Ltd. ("ALC"), Six Continents Hotels, Inc., a Delaware corporation ("SCH") and Hospitality Properties Trust, a Maryland real estate investment trust ("HPT") (collectively, the "Voting Agreement Stockholders").

Although all of the Voting Agreement Stockholders may be deemed to constitute a group for purposes of Section 13(d) of the Securities Exchange Act of 1934, as amended, this Amendment is filed only by the Reporting Person.

Item 3. Source and Amount of Funds or Other Consideration

Item 4. Purpose of Transaction

Item 4 is hereby amended and supplemented as follows:

As of the date of this Amendment, the Reporting Person does not have any plans or proposals with respect to the Issuer that relate to or could result in any of the actions specified

in clauses (a) through (j) of Item 4 of Schedule 13D other than the following:

On October 27, 2003, the Issuer entered into (i) a Purchase and Sale Agreement among HPT, the Issuer and certain of its affiliates and JPD Corporation (the "Hotel Purchase Agreement"), (ii) an Asset Purchase and Sale Agreement among SCH, the Issuer and Candlewood Hotel Company, L.L.C. (the "Brand Purchase Agreement") and (iii) a Termination Agreement among HPT CW Properties Trust, John G. Murray, trustee of HPT CW MA Realty Trust, HH HPTCW II Properties LLC, HPT, the Issuer and Candlewood Leasing No. 1, Inc. (the "Termination Agreement," and together with the Hotel Purchase Agreement and the Brand Purchase Agreement, the "Transaction Agreements"), pursuant to which the Issuer will sell substantially all of its assets. In addition, the Issuer's Board of Directors ("Issuer Board") adopted a Plan of Dissolution ("Plan of Dissolution") that would become effective following consummation of the Transaction Agreements.

Simultaneously with the Issuer entering into the Transaction Agreements, the Reporting Person and other stockholders entered into the Voting Agreement, whereby each of the Voting Agreement Stockholders agreed, among other things, to vote all of the shares of capital stock of the Issuer which each such stockholder is entitled to vote:

in favor of (i) approval of the terms of the transactions contemplated by the Transaction Agreements, with any modifications approved by such stockholders who are parties to the Voting Agreement, (ii) any action required to consummate such transactions contemplated by the Transaction Agreements and (iii) the adoption of the Plan of Dissolution with any modifications approved by the Voting Agreement Stockholders, provided that each of the matters listed in the above clauses (i), (ii) and (iii) are contemporaneously approved;

against any offer or proposal (each, a "Purchase Proposal") concerning any (A) merger, consolidation, business combination, or similar transaction involving the Issuer or any of its subsidiaries, (B) sale, lease or other disposition directly or indirectly by merger, consolidation, business combination, share exchange, joint venture, or otherwise of assets representing 25% or more of the consolidated assets of the Issuer and its subsidiaries or any of (the properties subject to the Hotel Purchase Agreement or the assets subject to the Brand Purchase Agreement, (C) issuance, sale, or other disposition of (including by way of merger, consolidation, business combination, share exchange, joint venture, or any similar transaction) securities (or options, rights or warrants to purchase, or securities convertible into or exchangeable for such securities) of the Issuer or any of its affiliates that are a party to the Hotel Purchase Agreement, (D) transaction in which any person shall acquire beneficial ownership, or the right to acquire beneficial ownership or any group shall have been formed which beneficially owns or has the right to acquire beneficial ownership of 25% or more of the outstanding voting capital stock of the Issuer or (E) any combination of the foregoing;

prior to the closing (the "Closing") of the transactions contemplated by the Transaction Agreements, against any action or proposal involving the Issuer or any of

the Issuer's subsidiary that is intended, or could reasonably be expected, to prevent, impede, interfere with, delay, postpone or adversely affect the transactions contemplated by the transactions contemplated by the Transactions Agreements;

in favor of the amendment to the Issuer's Certificate of Incorporation to change the name of the Issuer;

in favor of the adoption of the amendments to the Certificate of Amendment of Certificates of Designations, Preferences and Relative, Participating, Optional and Other Special Rights of Preferred Stock and Qualifications, Limitations and Restrictions thereof of Series A Cumulative Convertible Preferred Stock and Series B Cumulative Convertible Preferred Stock of the Issuer (the "Certificates of Designations," as amended, the "Amended Certificate").

In addition, the Voting Agreement Stockholders agreed, prior to the Closing, (i) not to sell, transfer, assign, pledge, encumber or otherwise dispose of any shares of capital stock of the Issuer, subject, in certain cases, to the rights of third parties with respect to such shares or (ii) not to take certain other actions that could lead to a Purchase Proposal.

The Voting Agreement terminates upon the earliest to occur of (i) the consent of each of the parties to the Voting Agreement, (ii) the termination of either the Hotel Purchase Agreement or the Brand Purchase Agreement and (iii) February 28, 2004.

In connection with the transactions contemplated by the Transaction Agreements, on October 27, 2003, the Reporting Person, MONY, Pecks, Advance Offshore I, Advance Capital I, JPMCB, JPMP SBIC, OEF, OEGF and the Issuer entered into an amendment to the Amended and Restated Stockholders Agreement (the "Stockholders Agreement Amendment") which amended the Amended and Restated Stockholders Agreement dated July 10, 1998 (that is the subject of the original Schedule 13D filed by the Reporting Person) by and among the Issuer, the Reporting Person, Doubletree Corporation, a Delaware corporation ("Doubletree"), the Warren D. Fix Family Partnership, L.P. ("WDFP"), Warren D. Fix ("Fix"), JPMCB, JPMP SBIC, OEF, OEGF, Advance Offshore I, Advance Capital I, Allied, Allied Capital Corporation II, Advance Offshore II, Advance Capital II, Advance Capital LLC, PEI-III, ELI-II, LNR, Leisure, the FFJ 1997 Nominee Trust, Harbor Investments Ltd., Strong Special Investment Limited Partnership, and Strong Quest Limited Partnership. Both of the Stockholders Agreement Amendment and the Plan of Dissolution provide that upon the Closing of the asset sales to HPT and SCH, the Issuer will decrease the number of the directors on the Issuer Board to five directors. The Issuer's Bylaws will be amended so that upon the Closing of the transactions contemplated by the Transaction Agreements and upon the approval of the Amended Certificate by the stockholders, the authorized number of members of the Issuer Board will be five. It is anticipated that the Issuer's five-member Board will consist of two directors who currently serve as designees of the holders of a majority of the outstanding Series A Cumulative Convertible Preferred Stock (the "Series A Preferred Stock"), one Director who currently serve as designees of the holders of a majority of the outstanding Series B Cumulative Convertible Preferred Stock (the "Series B Preferred Stock") and two directors, one of whom will be an independent Director, who currently serve as designees of the holders of a majority of

the outstanding Common Stock. The Reporting Person, Doubletree, WDFP and Fix are entitled to designate two nominees for election to the Issuer Board. Each director will serve until such person's successor is elected or until such person's death, retirement, resignation or removal. The composition of the Issuer Board will be accomplished by the voluntary resignation of certain current directors.

Subject to its obligation under the Voting Agreement, the Reporting Person reserves the right to change its plans and intentions at any time, as it deems appropriate. In particular, although the Reporting Person has no present intention to acquire any shares of Common Stock and has no present intention to dispose of any of such shares, the Reporting Person may acquire additional shares of Common Stock or securities convertible or exchangeable for Common Stock and/or may dispose of shares of Common Stock. Any such transactions may be effected at any time and from time to time.

This Item 4 is qualified in its entirety by reference to the Voting Agreement, the Amended Certificate and the Stockholders Agreement Amendment, which are filed as Exhibits 8, 9 and 10 hereto, and which are incorporated herein by reference.

Item 5. Interest in Securities of the Issuer

(a) Item 5(a) and 5(b) are hereby amended only with respect to the Reporting Person as follows:

(a); (b). According to information provided to the Reporting Person by the Issuer, the number of shares outstanding as of November 1, 2003 was 9,025,000 shares of Common Stock, 65,000 shares of Series A Preferred Stock and 42,000 shares of Series B Preferred Stock. Rows 7-11 and 13 of the cover pages to this Amendment are hereby incorporated by reference. The total number of shares subject to the Voting Agreement is 7,464,286 shares of Series A Preferred Stock, 5,305,333 shares of Series B Preferred Stock and 2,218,075 shares of Common Stock including the shares held by the Reporting Person, representing approximately 62.68% of the outstanding voting power of the Issuer, and representing 80.38% of the outstanding Series A Preferred Stock, 94.74% of the Series B Preferred Stock and 24.58% of the Common Stock of the Issuer. With respect to the responses to Items 7 and 8 set forth on the cover pages hereto, the Reporting

Person has assumed that each Voting Agreement Stockholder has the sole power to vote the capital stock directly owned by such party, but shared power to vote the capital stock beneficially owned by each of the other Voting Agreement Stockholders as a result of the terms of the Voting Agreement. The Reporting Person disclaims beneficial ownership of any securities owned by every other Voting Agreement Stockholder, and the filing of this Amendment shall not be deemed an admission that the Reporting person and any other person constitute a "group" for purposes of Section 13(d) of the Exchange Act.

As of October 27, 2003, the Reporting Person owned directly 2,218,075 shares of Common Stock and 1,000 shares of Series A Preferred Stock (convertible into 142,857 shares of Common Stock on a 142.857142 basis), representing approximately 9.87% of the outstanding

voting power of the Issuer, and 24.58% of the outstanding Common Stock and 1.54% of the Series A Preferred Stock of the Issuer.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer

Item 6 is hereby amended and supplemented as follows:

Pursuant to the Voting Agreement, each of the Voting Agreement Stockholders agreed, among other things, to vote all of the shares of capital stock of the Issuer which each such stockholder is entitled to vote:

in favor of (i) approval of the terms of the transactions contemplated by the Transaction Agreements, with any modifications approved by such stockholders who are parties to the Voting Agreement, (ii) any action required to consummate such transactions contemplated by the Transaction Agreements and (iii) the adoption of the Plan of Dissolution with any modifications approved by such stockholders who are parties to the Voting Agreement, provided that each of the matters listed in the above clauses (i), (ii) and (iii) are contemporaneously approved;

against any Purchase Proposal; and

in favor of the amendment to the Issuer's Certificate of Incorporation to change the name of the Issuer;

in favor of the adoption of the Amended Certificate.

In addition, the Voting Agreement Stockholders agreed, prior to the Closing, (i) not to sell, transfer, assign, pledge, encumber or otherwise dispose of any shares of capital stock of the Issuer, subject, in certain cases, to the rights of third parties with respect to such shares, and (ii) not to take certain other actions that could lead to a Purchase Proposal. The Voting Agreement shall terminate upon the earliest to occur of (i) the consent of each of the parties to the Voting Agreement, (ii) the termination of either the Hotel Purchase Agreement or the Brand Purchase Agreement and (iii) February 28, 2004.

The Certificate of Designation was amended so that concurrent with the Closing of the transactions contemplated by the asset sales to HPT and SCH, the holders of the Issuer's Series A Preferred Stock and Series B Preferred Stock shall no longer be entitled to receive any dividends, including any dividends that have accrued and remain unpaid and in the event of any liquidation, dissolution or winding up of the affairs of the Issuer, the liquidation preferences of the holders of the Issuer's Series A Preferred Stock and Series B Preferred Stock shall be reduced to a total of \$25,000,000 in proceeds from the sale of the Issuer's assets or any assets of the Issuer after payment or provision for all

obligations or liabilities of the Issuer. Such payment to the holders of the Issuer's Series A Preferred Stock and Series B Preferred Stock shall be made before any

payment shall be made or any assets distributed to the holders of the Issuer's Common Stock. Holders of the Issuer's Common Stock shall receive, on a pro-rata basis among all holders of the Common Stock, a total of \$500,000 in net liquidation proceeds. After payment in full of net liquidation proceeds, the holders of the Issuer's Series A Preferred Stock and Series B Preferred Stock shall be entitled to receive ninety percent (90%) of the remaining net liquidation proceeds of the Issuer and holders of the Issuer's Common Stock shall be entitled to receive ten percent (10%) of the remaining net liquidation proceeds of the Issuer.

The Stockholders Agreement was amended so that immediately upon the Closing, the Issuer Board shall be reduced to five members and the holders of Series A Preferred Stock and Series B Preferred Stock may appoint or replace any of their designees to the Issuer Board (through a nominating committee or other procedure adopted by the Issuer Board) as follows: (i) the holders of the Series A Preferred Stock are entitled, to designate two nominees for election to the Issuer Board, (ii) the holders of Series B Preferred Stock are entitled to designate one nominee for election to the Issuer Board, and (iii) the Reporting Person, Doubletree, WDFW and Fix are entitled to designate two nominees for election to the Issuer Board (one of whom shall be an independent director).

Item 7. Material to Be Filed as Exhibits

Item 7 is hereby amended by the insertion of the following:

Exhibit 8: Voting Agreement

Exhibit 9: Form of Certificate of Amendment of Certification of Designations, Preferences and Relative, Participating, Optional and Other Special Rights of Preferred Stock and Qualifications, Limitations and Restrictions thereof of Series A Cumulative Convertible Preferred Stock and Series B Cumulative Convertible Preferred Stock of Candlewood Hotel Company, Inc., dated as of October 27, 2003

Exhibit 10: Amendment No. 1 to the Amended and Restated Stockholders Agreement, dated as of October 27, 2003.

Signature

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

November 19, 2003

Date

/S/ Jack P. DeBoer

Signature

Jack P. DeBoer

Name/Title

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EXHIBIT INDEX

- Exhibit 8: Voting Agreement
- Exhibit 9: Form of Certificate of Amendment of Certification of Designations, Preferences and Relative, Participating, Optional and Other Special Rights of Preferred Stock and Qualifications, Limitations and Restrictions thereof of Series A Cumulative Convertible Preferred Stock and Series B Cumulative Convertible Preferred Stock of Candlewood Hotel Company, Inc., dated as of October 27, 2003
- Exhibit 10: Amendment No. 1 to the Amended and Restated Stockholders Agreement, dated as of October 27, 2003.

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VOTING AGREEMENT

THIS VOTING AGREEMENT is made October 27, 2003, among Hospitality Properties Trust, a Maryland real estate investment trust (“HPT”), Six Continents Hotels, Inc., a Delaware corporation (“SCH”) and those stockholders of Candlewood Hotel Company, Inc. (“CHC”) listed on Schedule A, as updated from time to time in accordance with Section 5.10 hereof (the “Stockholders”).

RECITALS:

1. As of the date hereof, each Stockholder beneficially owns and is entitled to vote the number of (a) shares of common stock, par value \$0.01 per share (“CHC Common Stock”), of CHC or (b) shares of Series A Cumulative Convertible Preferred Stock, par value \$0.01 per share, of CHC (“CHC Series A Stock”) or (c) shares of Series B Cumulative Convertible Preferred Stock, par value \$0.01 per share, of CHC (“CHC Series B Stock”, and collectively with the CHC Series A Stock, the “CHC Preferred Stock”) set forth opposite such Stockholder’s name on Schedule B hereto.

2. HPT and CHC and certain of its affiliates are contemporaneously entering into that certain Purchase and Sale Agreement (the “Hotel Purchase Agreement”), SCH and CHC are contemporaneously entering into that certain Asset Purchase and Sale Agreement (the “Brand Purchase Agreement”) and HPT CW Properties Trust, John G. Murray, Trustee of HPT CW MA Realty Trust, HH HPT CW II Properties LLC, HPT, CHC and Candlewood Leasing No. 1, Inc. are contemporaneously entering into that certain Termination Agreement (the “Termination Agreement”, and together with the Hotel Purchase Agreement and the Brand Purchase Agreement, the “Transaction Agreements”).

3. In order to induce HPT, SCH and their respective affiliates to enter into the Transaction Agreements and perform their respective obligations thereunder, the Stockholders desire to make certain representations, warranties and agreements.

In consideration of the foregoing, the parties agree as follows:

SECTION I

DEFINITIONS

The terms set forth below shall have the following meanings:

1.1 “beneficially own”: shall have the meaning set forth in Rule 13d-3 under the Securities Exchange Act of 1934 Act, as amended (the “1934 Act”).

1.2 “CHC Charter Documents”: shall mean CHC’s Restated Certificate of Incorporation (including any Certificates of Designation) and by-laws, in each case, as amended.

1.3 “CHC Stock”: shall mean the CHC Common Stock and the CHC Preferred Stock.

1.4 “Discretionary Accounts”: shall mean (i) JPMorgan Chase Bank, formerly known as Morgan Guaranty Trust Company of New York, as Trustee of the Commingled Pension Trust Fund (Multi-Market Special Investment Fund II) of JPMorgan Chase Bank, (ii) JPMorgan Chase Bank, formerly known as Morgan Guaranty Trust Company of New York, as Trustee of the Multi-Market Special Investment Trust Fund of JPMorgan Chase Bank, (iii) JPMorgan Chase Bank, formerly known as Morgan Guaranty Trust Company of New York, as Investment Manager and Agent for the Alfred P. Sloan Foundation (Multi-Market Account) and (iv) Peck’ s Management Partners Ltd.

1.5 “Effective Time”: shall mean the time at which the transactions contemplated by the Transaction Agreements close.

1.6 “Party”: shall mean HPT, SCH and each of the Stockholders.

1.7 “Person”: shall mean an individual, corporation, limited liability company, partnership, association, trust or any other entity or organization, including any domestic or foreign governmental, administrative, judicial or regulatory authority.

1.8 “Purchase Proposal”: shall mean any offer or proposal concerning any (A) merger, consolidation, business combination, or similar transaction involving CHC or any of its subsidiaries, (B) sale, lease or other disposition directly or indirectly by merger, consolidation, business combination, share exchange, joint venture, or otherwise of assets representing 25% or more of the consolidated assets of CHC and its subsidiaries or any of (x) the “Properties” (as defined in the Hotel Purchase Agreement) or (y) the “Assets” (as defined in the Brand Purchase Agreement), (C) issuance, sale, or other disposition of (including by way of merger, consolidation, business combination, share exchange, joint venture, or any similar transaction) securities (or options, rights or warrants to purchase, or securities convertible into or exchangeable for such securities) of CHC or any of the “Sellers” (as defined in the Hotel Purchase Agreement), (D) transaction in which any person shall acquire beneficial ownership, or the right to acquire beneficial ownership or any group shall have been formed which beneficially owns or has the right to acquire beneficial ownership of 25% or more of the outstanding voting capital stock of CHC or (E) any combination of the foregoing; provided however, that any offer or proposal relating to the transactions contemplated by the Transaction Agreements shall not constitute a “Purchase Proposal”.

1.9 “Transfer” shall mean any sale, transfer, assignment, pledge, encumbrance or other disposition, including through any “short sale” or derivative transactions.

SECTION II

REPRESENTATIONS AND WARRANTIES OF THE STOCKHOLDERS

2.1 Representations and Warranties of the Stockholders. Each Stockholder represents and warrants, severally but not jointly, to HPT:

(a) Ownership of CHC Stock. Set forth in Schedule B opposite the name of such Stockholder are all shares of CHC Stock owned of record or beneficially by such Stockholder as of the date hereof. Except as set forth in Schedule B, (i) such Stockholder has the exclusive right to vote such securities in the manner required under this Agreement and (ii) there are no options, warrants or other rights, agreements, arrangements or commitments of

any character to which such Stockholder is a party relating to the pledge, disposition or voting of any such securities (other than this Agreement) which would prevent such Stockholder from voting such securities in the manner required under this Agreement; provided that with respect to shares of CHC Stock held in the Discretionary Accounts, such representation is qualified by, subject to, and does not apply to the extent of, any rights of the beneficial owners or clients of the Discretionary Accounts to cause a Transfer of such securities or to have such securities returned to them and thereafter to vote or cause such securities to be voted.

(b) Organization of Certain Stockholders. If such Stockholder is a corporation, partnership, limited liability company or other entity, such Stockholder is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation or incorporation.

(c) Authority to Execute and Perform Agreements. Such Stockholder has the requisite power and authority required to enter into, execute and deliver this Agreement and to perform fully such Stockholder's obligations hereunder. The execution and delivery of this Agreement by such Stockholder have been duly authorized by all requisite organizational action, if any, on the part of such Stockholder. This Agreement has been duly executed and delivered and constitutes the legal, valid and binding obligation of such Stockholder, enforceable against such Stockholder in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, or other laws affecting creditors' rights and remedies generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(d) No Conflicts; Consents.

(i) The execution and delivery by such Stockholder of this Agreement does not, and the consummation of the transactions contemplated hereby will not, conflict with or result in any violation of or default (with or without notice or lapse of time, or both) under (A) any contract, agreement or other binding arrangement to which such Stockholder is a party or (B) any judgment, order, writ, injunction or decree of any court, governmental body, administrative agency or arbitrator applicable to such Stockholder.

(ii) No consents, authorizations, orders or approvals of any governmental commission, board, or other regulatory body are required to be obtained or made by such Stockholder in connection with the execution and delivery by such Stockholder of this Agreement and the consummation of the transactions contemplated hereby.

(e) Investigation. Such Stockholder has had a full opportunity to review and discuss this Agreement and the Transaction Agreements and to ask all questions of HPT, SCH, CHC and CHC's directors and executive officers necessary in order for such Stockholder to make an informed decision to enter into this Agreement.

2.2 Representations and Warranties of HPT and SCH. Each of SCH and HPT, in each instance solely with respect to itself, represents and warrants to the Stockholders that (i) it is duly organized and validly existing under the laws of the jurisdiction of its formation, (ii) it has all necessary power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby, (iii) it has duly authorized, by all necessary action, the execution and delivery of this Agreement and the consummation of the transactions

contemplated hereby by HPT and SCH, (iv) its execution and delivery of this Agreement does not, and the consummation of the transactions contemplated hereby will not, conflict with or result in any violation of or default (with or without notice or lapse of time, or both) under (A) any contract, agreement or other binding arrangement to which it is a party or (B) any judgment, order, writ, injunction or decree of any court, governmental body, administrative agency or arbitrator applicable to it, (v) no consents, authorizations, orders or approvals of any governmental commission, board, or other regulatory body are required to be obtained or made by it in connection with its execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, and (vi) this Agreement has been duly executed and delivered and constitutes the legal, valid and binding obligation of it, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, or other laws affecting creditors' rights and remedies generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

SECTION III

VOTING; WAIVER OF RIGHTS

3.1 Agreement to Vote. Each Stockholder hereby agrees that, at any meeting of the stockholders of CHC, however called, and at every adjournment thereof, and in any action by written consent of the stockholders of CHC, to vote all of the shares of CHC Stock to which he is entitled to vote (including, without limitation, shares of any class of CHC Preferred Stock whether such shares are to be voted separately as a class or, together with shares of other classes or on an as-converted basis, each in accordance with CHC' s Charter Documents, as applicable):

(a) in favor of (i) approval of the terms of the transactions contemplated by the Transaction Agreements, with any modifications that are approved by such Stockholder, (ii) any action required to consummate such transactions and (iii) the adoption of the Plan of Dissolution of CSC in substantially the form attached hereto as Exhibit A with any modifications that are approved by such Stockholder, provided that each of the matters listed in clauses (i), (ii) and (iii) of this Section 3.1(a) are contemporaneously approved;

(b) against any Purchase Proposal;

(c) prior to the Effective Time, against any action or proposal involving CHC or any CHC subsidiary that is intended, or could reasonably be expected, to prevent, impede, interfere with, delay, postpone or adversely affect the transactions contemplated by the Transaction Agreements;

(d) in favor of the amendment to CHC' s certificate of incorporation to change the name of CHC; and

(e) in favor of the adoption of the Certificate of Amendment of Certificate of Designations, Preferences and Relative, Participating, Optional and Other Special Rights of Preferred Stock and Qualifications, Limitations and Restrictions thereof of Series A Cumulative Convertible Preferred Stock and Series B Cumulative Convertible Preferred Stock of CHC, in the form attached hereto as Exhibit B.

SECTION IV

COVENANTS

4.1 No Disposition of Shares Prior to Effective Time. Each Stockholder covenants and agrees that, prior to the Effective Time, such Stockholder shall not Transfer any of the shares of CHC Stock set forth opposite his name on Schedule B as to which such Stockholder has or shares dispositive power; provided that with respect to shares of CHC Stock held in the Discretionary Accounts, such representation is qualified by, subject to, and does not apply to the extent of, any right of the beneficial owners or clients of the Discretionary Accounts to cause a Transfer of such securities or to have such securities returned to them and thereafter to vote or cause such securities to be voted.

4.2 Voting Arrangements. Each Stockholder covenants and agrees that, except pursuant to this Agreement, prior to the Effective Time such Stockholder shall:

(a) not act in concert with any Person to solicit or participate, directly or indirectly, in any solicitation of proxies or powers of attorney or similar rights to vote from any holder of CHC Stock, or with respect to any action, proposal, transaction or agreement that would reasonably be expected to lead to a Purchase Proposal, or to recommend that the Stockholders vote in favor of a Purchase Proposal except as otherwise expressly provided by Section 3 of this Agreement;

(b) not, directly or indirectly: (A) solicit, initiate, encourage, take any action to facilitate or induce any inquiry with respect to, or the making, submission or announcement of, any proposal or offer (including any proposal or offer to the Stockholders) that constitutes or may reasonably be expected to lead to any Purchase Proposal, (B) furnish to any Person other than HPT, SCH or their respective affiliates any information with respect to any Purchase Proposal (except as required by law or regulatory authority), (C) participate in or engage in discussions or negotiations with any Person with respect to any Purchase Proposal, except to notify such Person as to the existence of these provisions, (D) approve, endorse or recommend any Purchase Proposal, or (E) enter into any letter of intent or similar document or any agreement, commitment or understanding contemplating or otherwise relating to any Purchase Proposal or a transaction contemplated thereby. Each Stockholder shall, and each Stockholder other than the Discretionary Accounts and J.P. Morgan Partners (SBIC), LLC (formerly known as Chase Venture Capital Associates, L.P.) shall cause its affiliates to, immediately cease and cause to be terminated all existing discussions or negotiations with any parties conducted heretofore with respect to a Purchase Proposal; and

(c) Notwithstanding any of the provisions of this Agreement, if a Stockholder is a member of the Board of Directors of CHC or has an officer, employee or other representative who is a member of the Board of Directors of CHC, nothing herein shall be construed to obligate such Stockholder or such officer, employee or representative to act in his capacity as a director in any manner which may conflict with such Stockholder' s or such officer' s, employee' s or representative' s fiduciary duties as a director of CHC.

SECTION V

MISCELLANEOUS

5.1 Termination.

(a) This Agreement shall terminate, and none of the Parties hereto shall have any rights or obligations hereunder and this Agreement shall become null and void and have no effect upon the earliest to occur of (i) the consent of each of HPT, SCH and each Stockholder, (ii) the termination of either the Hotel Purchase Agreement or the Brand Purchase Agreement or (iii) February 28, 2004.

(b) This Agreement shall terminate with respect to a Discretionary Account and such Discretionary Account shall have no further obligations hereunder, at such time as shares of CHC Stock are no longer held in such Discretionary Account.

5.2 Notices. All notices, communications and deliveries required or permitted by this Agreement shall be made in writing signed by the Party making the same, shall specify the section of this Agreement pursuant to which it is given or being made, and shall be deemed given or made (i) on the date delivered if delivered by telecopy or in person, or (ii) on the day after it is delivered, prepaid, to an overnight express delivery service that confirms to the sender delivery on such day, as follows:

If to HPT, to:

Hospitality Properties Trust
400 Centre Street
Newton, Massachusetts 02458
Attn: John G. Murray
Telecopy No.: 617.969.5730

with a copy to:

Sullivan & Worcester LLP
One Post Office Square
Boston, Massachusetts 02109
Attn: Richard Teller
Telecopy No.: (617) 338-2880

If to SCH, to:

Six Continents Hotels, Inc.
Suite 100
Three Ravinia Drive
Atlanta, Georgia 30346-2149
Attn: Robert Gunkel

with copies to:

Six Continents Hotels, Inc.
Suite 100

Three Ravinia Drive
Atlanta, Georgia 30346-2149
Attn: Robert Jackman

Sutherland Asbill & Brennan LLP
999 Peachtree Street, N.E.
Suite 2300
Atlanta, Georgia 30309-3996
Attn: James Kacena, Esq.

If to the Stockholders, to:

such Stockholder at the address set forth on Schedule A;

with a copy to (only with respect to holders of CHC Preferred Stock):

Sullivan & Cromwell LLP
125 Broad Street
New York, NY 10004
Attn: John Evangelakos

or to such other representative or at such other address of a Party as such Party may furnish to the other Parties in writing.

5.3 Interpretation.

(a) When a reference is made in this Agreement to a section or schedule such reference shall be to a section or schedule of this Agreement unless otherwise clearly indicated to the contrary.

(b) The schedules and all documents expressly referred to in this Agreement are incorporated into this Agreement and are made a part of this Agreement as if set out in full.

(c) The titles and captions contained in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision of this Agreement.

(d) The words “hereof”, “herein” and “herewith” and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement.

(e) The plural of any defined term shall have a meaning correlative to such defined term, and words denoting any gender shall include all genders. Where a word or phrase is defined herein, each of its other grammatical forms shall have a corresponding meaning.

(f) The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden

of proof shall arise favoring or disfavoring a Party by virtue of the authorship of any provision of this Agreement.

5.4 Assignment; Successors in Interest. This Agreement shall not be assigned by operation of law or otherwise without the prior written consent of each of the Parties. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their successors and assigns, and any reference to a Party shall also be a reference to a successor or assign. For the avoidance of doubt, the preceding sentence shall not apply to any beneficial owner or client of a Discretionary Account to which shares of CHC Stock have been returned.

5.5 No Third-Party Beneficiaries. With the exception of the Parties and Intercontinental Hotel Group Resources, Inc., which the Parties agree is an intended third party beneficiary to the extent a vote in favor of the transactions contemplated by the Brand Purchase Agreement is required, there shall exist no right of any Person to claim a beneficial interest in this Agreement or any rights occurring by virtue of this Agreement.

5.6 Amendments. To the extent permitted by law, this Agreement may be amended only by a subsequent writing signed by all of the Parties.

5.7 Controlling Law; Integration; Waiver; Waiver of Trial by Jury.

(a) This Agreement and the transactions contemplated hereby, and all disputes between the parties under or related to the Agreement or the facts and circumstances leading to its execution, whether in contract, tort or otherwise, shall be governed by and construed in accordance with the Laws of the State of Delaware, without regard to the application of Delaware principles of conflicts of laws.

(b) This Agreement supersedes all negotiations, agreements and understandings among the Parties with respect to the subject matter of this Agreement, constitutes the entire agreement among the Parties. The failure of any Party at any time or times to require performance of any provisions of this Agreement shall in no manner affect the right to enforce the same.

(c) No waiver by any Party of any conditions, or of the breach of any term, provision, warranty, representation, agreement or covenant contained in this Agreement, whether by conduct or otherwise, in any one or more instances shall be deemed or construed as a further or continuing waiver of any such condition or breach of any other term, provision, warranty, representation, agreement or covenant contained in this Agreement.

(d) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE IT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT AND ANY OF THE AGREEMENTS DELIVERED IN CONNECTION HERewith OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (I) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE EITHER OF SUCH WAIVERS, (II) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF SUCH WAIVERS, (III) IT MAKES SUCH

WAIVERS VOLUNTARILY, AND (IV) IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 5.7(d).

5.8 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement, and any such prohibition or unenforceability in any jurisdiction will not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by law, the Parties waive any provision of law which renders any such provision prohibited or unenforceable in any respect.

5.9 Further Assurances. Each Party shall execute and deliver such additional documents as may be necessary or desirable to consummate the transactions contemplated by this Agreement.

5.10 Additional Stockholders. The Parties agree that, from time to time after the date hereof, additional Stockholders may be added as parties hereto by executing a counterpart of this Agreement or an instrument, reasonably acceptable to HPT, whereby such Stockholder shall join in and become a party to this Agreement as a Stockholder and shall agree to be bound by and to perform all obligations of a Stockholder hereunder, without in either case further action by any Party. In each such event, the Schedules A and B shall be updated to reflect information relating to such Stockholder.

5.11 Specific Performance. The Parties agree that the remedy at law for any breach of this Agreement will be inadequate and that any Party by whom this Agreement is enforceable shall be entitled to specific performance in addition to any other appropriate relief or remedy. Such Party may, in its sole discretion, apply to a court of competent jurisdiction for specific performance or injunctive or such other equitable relief as such court may deem just and proper in order to enforce this Agreement or prevent any violation hereof and, to the extent permitted by applicable law, each Party waives any objection to the imposition of such equitable relief on the basis that there is an adequate remedy at law.

5.12 Several and Not Joint Obligations. The obligations of the Stockholders under this Agreement are the several and not joint obligations, each Stockholder has made an individual and separate decision relating to his execution of this Agreement, and the Stockholders shall not by action of this Agreement (i) be deemed to be acting in concert or as a “group” (within the meaning of Section 13(d)(3) of the 1934 Act) or (ii) be deemed to have formed a partnership or joint venture.

5.13 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and it shall not be necessary in making proof of this Agreement or the terms of this Agreement to produce or account for more than one of such counterparts.

JPMorgan Chase Bank, formerly known as Morgan Guaranty Trust Company of New York, as Trustee of the Multi-Market Special Investment Trust Fund of JPMorgan Chase Bank

By: /s/ Joan Huggins
Name: Joan Huggins
Title: Vice President

[Signature page to Voting Agreement]

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STOCKHOLDER:

JPMorgan Chase Bank, formerly known as Morgan Guaranty Trust Company of New York, as Investment Manager and Agent for the Alfred P. Sloan Foundation (Multi-Market Account)

By: /s/ Joan Huggins
Name: Joan Huggins
Title: Vice President

[Signature page to Voting Agreement]

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STOCKHOLDER:

Olympus Executive Fund, L.P.

By:
General Partner

By: /s/ Robert S. Morris
Name: Robert S. Morris
Title: Managing Member

[Signature page to Voting Agreement]

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STOCKHOLDER:

Olympus Growth Fund II, L.P.

By:

General Partner

By: /s/ Robert S. Morris

Name: Robert S. Morris

Title: Managing Member

[Signature page to Voting Agreement]

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STOCKHOLDER:

Peck' s Management Partners Ltd.

By: Peck' s Management Partners
as Investment Manager and Agent

By: /s/ Robert J. Cresci

Name: Robert J. Cresci

Title: Managing Director

[Signature page to Voting Agreement]

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STOCKHOLDER:

Equity-Linked Investors-II

By: Rohit M. Desai Associates-II
General Partner

By: /s/ Frank J. Pados

Name: Frank J. Pados

Title: Attorney-In-Fact

STOCKHOLDER:

Private Equity Investors III, L.P.

By: Rohit M. Desai Associates-III, LLC
General Partner

By: /s/ Frank J. Pados
Name: Frank J. Pados
Title: Attorney-In-Fact

[Signature page to Voting Agreement]

STOCKHOLDER:

MONY Life Insurance Company

By: J. ROMEO & CO. as nominee
for MONY Life Insurance Company

By: /s/ Raymond Duffy
Name: Raymond Duffy
Title: A Partner

[Signature page to Voting Agreement]

STOCKHOLDER:

Jack P. DeBoer

/s/ Jack P. DeBoer
Jack P. DeBoer

STOCKHOLDER:

Arbor Lake Club, Ltd.

By: Lennar Commercial Properties, Inc.,
its General Partner

By: /s/ Jeffrey P. Krasnoff
Name: Jeffrey P. Krasnoff
Title: President

SCHEDULE A

Stockholder	Address
J.P. Morgan Chase Partners (SBIC), LLC, formerly known as Chase Venture Capital Associates, L.P.	J.P. Morgan Partners 1221 Avenue of the Americas, 40th Floor New York, New York 10020
JP Morgan Chase Bank, formerly known as Morgan Guaranty Trust Company of New York, as Trustee of the Commingled Pension Trust Fund (Multi-Market Special Investment Fund II) of JPMorgan Chase Bank	JPMorgan Chase Bank 270 Park Avenue New York, New York 10017
JPMorgan Chase Bank, formerly known as Morgan Guaranty Trust Company of New York, as Trustee of the Multi-Market Special Investment Trust Fund of JPMorgan Chase Bank	JPMorgan Chase Bank 270 Park Avenue New York, New York 10017
JPMorgan Chase Bank, formerly known as Morgan Guaranty Trust Company of New York, as Investment Manager and Agent for the Alfred P. Sloan Foundation (Multi-Market Account)	JPMorgan Chase Bank 270 Park Avenue New York, New York 10017
Olympus Executive Fund, L.P.	Olympus Partners Metro Center, One Station Place Stamford, Connecticut 06902

Olympus Growth Fund II, L.P.	Olympus Partners Metro Center, One Station Place Stamford, Connecticut 06902
Peck' s Management Partners, Ltd. (Peck' s Management Partners as Investment Manager and Agent)	Peck' s Management Partners, Ltd. One Rockefeller Plaza New York, New York 10020
MONY Life Insurance Company	MONY Life Insurance Company 1740 Broadway New York, New York 10019
Equity-Linked Investors-II	Desai Capital Management Incorporated 410 Park Avenue New York, New York 10022
Private Equity Investors III, L.P.	Desai Capital Management Incorporated 410 Park Avenue New York, New York 10022
Jack P. DeBoer	Candlewood Hotel Company, Inc. 8621 E. 21st Street North Suite 200 Wichita, Kansas 67206
Arbor Lake Club, Ltd.	c/o LNR Property Corporation 1601 Washington Avenue, Suite 800 Miami Beach, Florida 33139

SCHEDULE B

Stockholder	Common Stock	Series A Preferred	Series B Preferred	Options/ Warrants
J.P. Morgan Partners (SBIC), LLC, formerly known as Chase Venture Capital Associates, L.P.		7,000		
JP Morgan Chase Bank, formerly known as Morgan Guaranty Trust Company of New York, as Trustee of the Commingled Pension Trust Fund (Multi-Market Special Investment Fund II) of JPMorgan Chase Bank		7,000		
JPMorgan Chase Bank, formerly known as Morgan Guaranty Trust Company of New York, as Trustee of the Multi-Market Special Investment Trust Fund of JPMorgan Chase Bank		1,500		
JPMorgan Chase Bank, formerly known as Morgan Guaranty Trust Company of New York, as Investment Manager and		1,500		

Agent for the Alfred P. Sloan Foundation (Multi-Market Account)

Olympus Executive Fund, L.P.	100	49	392	
Olympus Growth Fund II, L.P.	9,900	4,841	38,728	
Peck' s Management Partners, Ltd. (Peck' s Management Partners as Investment Manager and Agent)	7,000	7,900	63,200	
MONY Life Insurance Company	3,250	3,000	24,000	
Equity-Linked Investors-II	3,500	12,000	96,000	
Private Equity Investors III, L.P.	3,500	12,000	96,000	
Jack P. DeBoer	2,271,099	1,000	275,000	
Arbor Lake Club, Ltd.	7,000			
Total:	2,271,099	52,250	39,790	593,320

**CERTIFICATE OF AMENDMENT OF
CERTIFICATE OF DESIGNATIONS, PREFERENCES
AND RELATIVE, PARTICIPATING, OPTIONAL AND
OTHER SPECIAL RIGHTS OF PREFERRED STOCK
AND QUALIFICATIONS, LIMITATIONS
AND RESTRICTIONS THEREOF**

OF

**SERIES A CUMULATIVE CONVERTIBLE
PREFERRED STOCK**

AND

**SERIES B CUMULATIVE CONVERTIBLE
PREFERRED STOCK**

OF

CANDLEWOOD HOTEL COMPANY, INC.

Candlewood Hotel Company, Inc., a corporation duly organized and existing under the General Corporation Law of the State of Delaware (the "Corporation"), **DOES**

HEREBY CERTIFY THAT:

1. The Board of Directors of the Corporation, acting pursuant to the authority of Section 141(f) of the General Corporation Law of the State of Delaware, adopted a resolution setting forth a proposed amendment of the Certificate of Designations, Preferences and Relative, Participating, Optional and Other Special Rights of the Preferred Stock and Qualifications, Limitations and Restrictions Thereof of the Series A Cumulative Convertible Preferred Stock of the Corporation (the "Series A Certificate of Designations") and the Series B Cumulative Convertible Preferred Stock of the Corporation (the "Series B Certificate of Designations"), which amendment shall be filed with the Secretary of State of the State of Delaware immediately preceding the closing of the transactions set forth in the resolution. The resolution setting forth the proposed amendment is as follows:

NOW, THEREFORE, BE IT RESOLVED, that upon and concurrent with the closing of the transactions contemplated by (i) that certain Purchase and Sale Agreement by and among the Corporation and certain of its affiliates, JPD Corporation, a Kansas corporation, and Hospitality Properties Trust ("HPT"), a Maryland real estate investment trust, and by (ii) that certain Asset Purchase and Sale Agreement by and among the Corporation and certain of its affiliates and Six Continents Hotels, Inc., a Delaware corporation (together, the

“Proposed Transactions”), the Series A Certificate of Designations and Series B Certificate of Designations, respectively, will be amended as follows:

I. **Amendment to Series A Certificate of Designations**

(A) The Series A Certificate of Designations is hereby amended by striking out the entirety of Section (ii) thereof and substituting in lieu of said Section the following:

“(ii) Dividends. The Series A Preferred Stock shall not be entitled to receive any dividends, including any dividends that have accrued and remain unpaid.”

(B) The Series A Certificate of Designations is hereby amended by striking out the entirety of Section (iii) thereof and substituting in lieu of said Section the following:

“(iii) Liquidation. In the event of any liquidation, dissolution or winding up of the affairs of the Corporation (any and all such events, a “Liquidation”), whether voluntary or involuntary, the holders of shares of Series A Preferred Stock shall be entitled to those amounts as described in Section (vii) (“Distributions Upon the Sale of the Corporation’s Assets”) hereof. Except as provided in this paragraph, holders of Series A Preferred Stock shall not be entitled to any distribution in the event of the Liquidation of the Corporation. The closing of the Proposed Transactions shall be considered a Liquidation within the meaning of this paragraph.”

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(C) The Series A Certificate of Designations is hereby amended by striking out the entirety of Section (iv) thereof and substituting in lieu of said Section the following:

“(iv) The Series A Preferred Stock shall not be subject to redemption.”

(D) The Series A Certificate of Designations is hereby amended by striking out the entirety of Section (vi)(b) thereof and substituting in lieu of said Section the following:

“(b) Reserved.”

(E) The Series A Certificate of Designations is hereby amended by striking out the entirety of Section (vi)(h) thereof and substituting in lieu of said Section the following:

“(h) Reserved.”

(F) The Series A Certificate of Designations is hereby amended by inserting the following new Section (vii):

“(vii) Distributions Upon a Sale of the Corporation’s Assets. (a) Distribution to Series A Holders. The holders of the Series A Preferred Stock shall be entitled to receive a payment, out of the assets of the Corporation, pro-rata, pari passu as if members of a single class of securities with the holders of the Series B Preferred Stock, a total of \$25,000,000 in proceeds from the sale of the Corporation or any assets of the Corporation after payment or provision for all obligations or liabilities of the Corporation (“Net Liquidation Proceeds”) before any payment shall be made or any assets distributed to the holders of Common Stock.

(b) Distribution to Common Stock Holders. After the payment in full to the holders of Series A Preferred Stock and the

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holders of Series B Preferred Stock of the \$25,000,000 specified in Section vii(a) above, the holders of the Corporation’s Common Stock shall receive, on a pro-rata basis among all holders of the Corporation’s Common Stock, a total of \$500,000 in Net Liquidation Proceeds.

(c) Distribution to Series A Holders and Common Stock Holders. After the payment in full of Net Liquidation Proceeds as described in Sections vii(a) and vii(b), the holders of the Series A Preferred Stock shall be entitled to receive Ninety Percent (90%) of the remaining Net Liquidation Proceeds of the Corporation, pro-rata, pari passu as if members of a single class of securities with the holders of the Series B Preferred Stock, and the holders of the Corporation’s Common Stock shall be entitled to receive Ten Percent (10%) of the remaining Net Liquidation Proceeds of the Corporation, on a pro-rata basis (without giving effect to any conversion provision).

(d) Payment of Net Liquidation Proceeds. The Corporation may distribute Net Liquidation Proceeds in one payment or multiple payments over time as the obligations and liabilities of the Corporation are paid or provided for.

(e) Sole Payments. The foregoing distributions are the only amounts that shall be paid to the holders of the Series A Preferred Stock with respect to such stock. No other amounts,

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including without limitation accrued dividends, shall be paid to such holders with respect to such stock.”

II. Amendment to Series B Certificate of Designations

(A) The Series B Certificate of Designations is hereby amended by striking out the entirety of Section (ii) thereof and substituting in lieu of said Section the following:

“(ii) Dividends. The Series B Preferred Stock shall not be entitled to receive any dividends, including any dividends that have accrued and remain unpaid.”

(B) The Series B Certificate of Designations is hereby amended by striking out the entirety of Section (iii) thereof and substituting in lieu of said Section the following:

“(iii) Liquidation. In the event of any liquidation, dissolution or winding up of the affairs of the Corporation (any and all such events, a “Liquidation”), whether voluntary or involuntary, the holders of shares of Series B Preferred Stock shall be entitled to those amounts as described in Section (vii) (“Distributions Upon the Sale of the Corporation’s Assets”) hereof. Except as provided in this paragraph, holders of Series B Preferred Stock shall not be entitled to any distribution in the event of the Liquidation of the Corporation. The closing of the Proposed Transactions shall be considered a Liquidation within the meaning of this paragraph.”

(C) The Series B Certificate of Designations is hereby amended by striking out the entirety of Section (iv) thereof and substituting in lieu of said Section the following:

“(iv) The Series B Preferred Stock shall not be subject to redemption.”

(D) The Series B Certificate of Designations is hereby amended by striking out the entirety of Section (vi)(b) thereof and substituting in lieu of said Section the following:

“(b) Reserved.”

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(E) The Series B Certificate of Designations is hereby amended by striking out the entirety of Section (vi)(h) thereof and substituting in lieu of said Section the following:

“(h) Reserved.”

(F) The Series B Certificate of Designations is hereby amended by inserting the following new Section (vii):

“(vii) Distributions Upon a Sale of the Corporation’s Assets. (a) Distribution to Series B Holders. The holders of the Series B Preferred Stock shall be entitled to receive a payment, out of the assets of the Corporation, pro-rata, pari passu as if members of a single class of securities with the holders of the Series A Preferred Stock, a total of \$25,000,000 in proceeds from the sale of the Corporation or any assets of the Corporation after payment or provision for all obligations or liabilities of the Corporation (“Net Liquidation Proceeds”) before any payment shall be made or any assets distributed to the holders of Common Stock.

(b) Distribution to Common Stock Holders. After the payment in full to the holders of Series B Preferred Stock and the holders of Series A Preferred Stock of the \$25,000,000 specified in Section vii(a) above, the holders of the

(c) Distribution to Series B Holders and Common Stock Holders. After the payment in full of Net Liquidation Proceeds as described in Sections vii(a) and vii(b), the holders of the Series B Preferred Stock shall be entitled to receive Ninety Percent (90%) of the remaining Net Liquidation Proceeds of the Corporation, pro-rata, pari passu as if members of a single class of securities with the holders of the Series A Preferred Stock, and the holders of the Corporation's Common Stock shall be entitled to receive Ten Percent (10%) of the remaining Net Liquidation Proceeds of the Corporation, on a pro-rata basis (without giving effect to any conversion provision).

(d) Payment of Net Liquidation Proceeds. The Corporation may distribute Net Liquidation Proceeds in one payment or multiple payments over time as the obligations and liabilities of the Corporation are paid or provided for.

(e) Sole Payments. The foregoing distributions are the only amounts that shall be paid to the holders of the Series B Preferred Stock with respect to such stock. No other amounts, including without limitation accrued dividends, shall be paid to such holders with respect to such stock. "

2. Paragraphs I. (A) through (F) and II. (A) through (F) of the foregoing amendment will not become effective and shall have no force and effect unless and until the Proposed Transactions have closed in accordance with their respective terms.

3. The holders of (i) a majority of the voting power of the outstanding capital stock of the Corporation, (ii) a majority of the outstanding Common Stock of the Corporation, the outstanding Series A Cumulative Convertible Preferred Stock, par value \$0.01 per share, of the Corporation (the "Series A Preferred"), and the outstanding Series B Cumulative Convertible Preferred Stock, par value \$0.01 per share, of the Corporation (the "Series B Preferred") voting together as a single class pursuant to the Restated Certificate of Incorporation of the Corporation, (iii) 66-2/3% of the outstanding shares of the Series A Preferred, and (iv) 66-2/3% of the outstanding shares of the Series B Preferred, entitled to vote have approved the foregoing amendment at a Special Meeting of the stockholders of the Corporation in accordance with the Restated Certificate of Incorporation, the Amended and Restated Bylaws of the Corporation, and the provisions of Section 242 of the General Corporation Law of the State of Delaware.

4. The foregoing amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, Candlewood Hotel Company, Inc. has caused this Certificate to be executed by _____, its _____, on this _____ day of _____, 2003.

**CANDLEWOOD HOTEL COMPANY, INC.,
a Delaware corporation**

By: _____

Name:

Title:

**AMENDMENT NO. 1 TO
AMENDED AND RESTATED STOCKHOLDERS AGREEMENT**

This Amendment No. 1 (this “**Amendment**”), dated as of as of October 27, 2003, to the Amended And Restated Stockholders Agreement, dated as of July 10, 1998, by and among Candlewood Hotel Company, Inc., a Delaware corporation (the “**Company**”), Doubletree Corporation, a Delaware corporation, the Warren D. Fix Family Partnership, L.P., Jack P. DeBoer and the other entities set forth on the signature pages thereto (the “**Stockholders Agreement**”). In consideration of the mutual promises contained herein, and for other good and valuable consideration, the receipt of which is hereby confirmed by the parties hereto, the parties to this Amendment hereby agree to amend the Stockholders Agreement, in accordance with Section 4.4 of the Stockholders Agreement, as follows:

1. Board Nominations. Section 2.1 of the Stockholders Agreement is hereby deleted and replaced in its entirety with the following:

“2.1 Board Nominations. The Board of the Company shall be composed of five (5) members. With respect to such five (5) members, the Company and the Holders have agreed (i) that the Series A Purchaser Group shall be entitled, through a nominating committee or other procedure adopted by the Board, to designate for nomination by the Board two (2) nominees for election to the Board, (ii) that the Series B Purchaser Group shall be entitled, through a nominating committee or other procedure adopted by the Board, to designate for nomination by the Board one (1) nominee for election to the Board, and (iii) that the Doubletree Holders together with the DeBoer/Fix Holders shall be entitled, through a nominating committee or other procedure adopted by the Board, to designate for nomination by the Board two (2) nominees for election to the Board (one (1) of whom shall be an independent director). Immediately upon the closing of the Transactions (as defined in Section 2 below), the Board of the Company shall be reduced to five (5) members and to the extent that any Holders wish to appoint or replace any of their designees to the Board, as permitted under this Section 2.1, at such time, the Board shall immediately designate any such designees and replacements.”

2. Effectiveness. This Amendment shall not take effect unless and until (i) the transactions contemplated by the Asset Purchase and Sale Agreement, dated as of October 27, 2003, by and among the Company, Candlewood Hotel Company LLC, a Delaware limited liability company and Six Continents Hotels, Inc., a Delaware corporation and (ii) the transactions contemplated by the Purchase and Sale Agreement, dated as of October 27, 2003, by and among the Company and certain of its affiliates, JPD Corporation, a Kansas corporation and Hospitality Properties Trust, a Maryland real estate investment trust, (collectively, the “**Transactions**”) have closed, and shall thereupon become effective immediately upon closing without any further action required by any party. If the Transactions do not close, this Amendment shall be of no force or effect.

3. Further Assurances. The Company and each of the parties hereto agree to take all action and to execute, deliver and file, or cause to be executed, delivered and filed, any and all documents, instruments and filings necessary to give effect to this Amendment, including

causing the Company to adopt all necessary or desirable amendments to the By-laws of the Company.

4. Other Terms Not Modified or Amended. This Amendment shall not constitute an amendment or waiver of any other provision of the Stockholders Agreement not expressly referred to herein. Except as expressly set forth herein, the terms and conditions of the Stockholders Agreement remain in full force and effect without modification or amendment.

5. Governing Law. **THIS AMENDMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE APPLICABLE TO CONTRACTS MADE AND TO BE ENTIRELY PERFORMED WITHIN SUCH STATE.**

6. Counterparts. This Amendment may be executed simultaneously in two or more separate counterparts, all of which shall be deemed but one and the same instrument and each of which shall be deemed an original, and it shall not be necessary in making proof of this Amendment to produce or account for more than one such counterpart.

Signatures follow on next page.

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IN WITNESS WHEREOF, the parties set forth below have signed this Amendment as of the date first hereinabove written.

CANDLEWOOD HOTEL COMPANY, INC.

By: /s/ Jack P. DeBoer

Name: Jack P. DeBoer

Title: Chief Executive Officer

WARREN D. FIX FAMILY PARTNERSHIP, L.P.

By: /s/ Warren D. Fix

Name: Warren D. Fix

Title: General Partner

 /s/ Warren D. Fix

Warren D. Fix

JACK P. DeBOER, for himself and on behalf of the
ALEXANDER DeBOER TRUST DATED MARCH 14,
1994 and the CHRISTOPHER SCOTT DeBOER TRUST
DATED MARCH 14, 1995

 /s/ Jack P. DeBoer

Name: Jack P. DeBoer

OLYMPUS GROWTH FUND II, L.P.

By: OGP II, L.P., its General Partner

By: RSM, L.L.C., its General Partner

By: /s/ Robert S. Morris

Name: Robert S. Morris

Title: General Partner

OLYMPUS EXECUTIVE FUND, L.P.

By: OEF, L.P., its General Partner

*Signature page to Amendment No. 1 to
Amended and Restated Stockholders Agreement*

By: RSM, L.L.C., its General Partner

By: /s/ Robert S. Morris

Name: Robert S. Morris

Title: General Partner

JPMORGAN CHASE BANK, FORMERLY KNOWN AS
MORGAN GUARANTY TRUST COMPANY OF NEW YORK,
AS TRUSTEE OF THE COMMINGLED PENSION TRUST
FUND (MULTI-MARKET SPECIAL INVESTMENT FUND II)
OF JPMORGAN CHASE BANK

By: /s/ Joan Huggins

Name: Joan Huggins

Title: Vice President

JPMORGAN CHASE BANK, FORMERLY KNOWN AS
MORGAN GUARANTY TRUST COMPANY OF NEW YORK,
AS TRUSTEE OF THE MULTI-MARKET SPECIAL
INVESTMENT TRUST FUND OF JPMORGAN CHASE BANK

By: /s/ Joan Huggins

Name: Joan Huggins

Title: Vice President

JPMORGAN CHASE BANK, FORMERLY KNOWN AS
MORGAN GUARANTY TRUST COMPANY OF NEW YORK,
AS INVESTMENT MANAGER AND AGENT FOR THE
ALFRED P. SLOAN FOUNDATION (MULTI-MARKET
ACCOUNT)

By: /s/ Joan Huggins

Name: Joan Huggins

Title: Vice President

J.P. MORGAN PARTNERS (SBIC), LLC, FORMERLY KNOWN
AS CHASE VENTURE CAPITAL ASSOCIATES, L.P.

By: Chase Capital Partners, its General Partner

By: /s/ David Gilbert
Name: David Gilbert

*Signature page to Amendment No. 1 to
Amended and Restated Stockholders Agreement*

Title: Managing Director

PRIVATE EQUITY INVESTORS III, L.P.

By: Rohit M. Desai Associates III, LLC
General Partner

By: /s/ Frank J. Pados, Jr.
Name: Frank J. Pados, Jr.
Title: Attorney-In-Fact

EQUITY-LINKED INVESTORS-II

By: Rohit Desai Associates-II
General Partner

By: /s/ Frank J. Pados
Name: Frank J. Pados, Jr.
Title: Attorney-In-Fact

DELAWARE STATE EMPLOYEES' RETIREMENT FUNDS

By: Pecks Management Partners Ltd.,
its Investment Advisor

By: /s/ Robert J. Cresci
Name: Robert J. Cresci
Title: Managing Director

DECLARATION OF TRUST FOR THE DEFINED BENEFIT
PLAN OF ZENECA HOLDINGS INC.

By: Pecks Management Partners Ltd.,
its Investment Advisor

By: /s/ Robert J. Cresci
Name: Robert J. Cresci
Title: Managing Director

DECLARATION OF TRUST FOR THE DEFINED BENEFIT
PLAN OF ICI AMERICAN HOLDINGS INC.

By: Pecks Management Partners Ltd.,

*Signature page to Amendment No. 1 to
Amended and Restated Stockholders Agreement*

its Investment Advisor

By: /s/ Robert J. Cresci

Name: Robert J. Cresci

Title: Managing Director

J.W. McCONNELL FAMILY TRUST

By: Pecks Management Partners Ltd.,
its Investment Advisor

By: /s/ Robert J. Cresci

Name: Robert J. Cresci

Title: Managing Director

*Signature page to Amendment No. 1 to
Amended and Restated Stockholders Agreement*
